

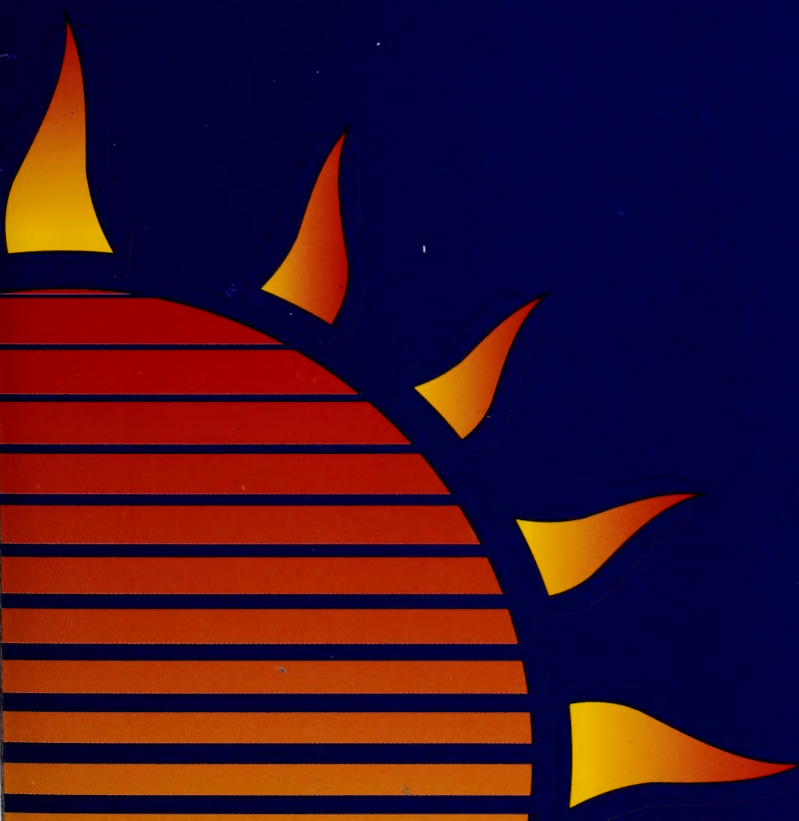
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# **Alberta Capital Region**

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## **GOVERNANCE REVIEW**

**FIRST REPORT**  
**March 2000**





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# *Alberta Capital Region Governance Review*

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**FIRST REPORT**  
March 2000

to The Honourable Walter Paszkowski  
Minister of Municipal Affairs  
Government of Alberta

from Lou Hyndman  
Chair  
Alberta Capital Region Governance Review





March 30, 2000

The Honourable Walter Paszkowski  
Minister of Municipal Affairs  
Government of Alberta

Dear Minister Paszkowski,

I am pleased to submit the Alberta Capital Region Governance Review, First Report, March 2000 in accordance with the terms of reference for the Review process instituted by Alberta Municipal Affairs in the fall of 1998. The purpose of the First Report is to recommend an approach to the governance of the Alberta capital region which will address the broad range of challenges and opportunities the region will face over the next 30 years or more.

This report elaborates on the Preview of Recommendations of February 29, 2000 which allowed participating municipalities to review proposed recommendations and respond to them before my report was submitted to you. Their responses are included in a companion report to the First Report entitled Alberta Capital Region Governance Review, Supplemental Reports and Appendices, March 2000 (also enclosed).

The world is not static. World commerce, economic development and environmental management are increasingly conducted on a regional, not municipal, basis. We are fortunate that Alberta's capital region shows exciting potential in both new and traditional economic sectors. As this region takes steps to position itself for the future, it is timely to consider how models of governance can help our citizens, and their next generations, sustain the quality of life and work we enjoy in this region now.

This report is the result of excellent cooperation and diligence by the elected leaders of the 22 municipalities who participated in the Review. They seized the opportunity provided by the provincial government and invented their own future.

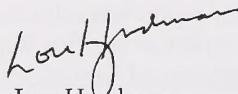
The recommendations in my report are the outcome of an inclusive and open process which acknowledged the role of these elected municipal leaders and their municipal councils. Solutions were not dictated by the provincial government, nor by the Chair. Instead, proposals were developed from the "bottom up." Directions and ideas were shared with stakeholders, elected representatives and the public, as they emerged, and their input and responses were carefully weighed and considered. As a result, my recommendations to you are truly "made-in-the-region" solutions.

March 30, 2000

The First Report contains a series of recommendations to provide far-sighted, strategic guidance at a regional level. A new, formal governance body, the *Edmonton Capital Regional Council*, is recommended to develop and implement shared regional priorities and policies. The report also recommends a process to establish a guiding charter for the new Regional Council; new approaches to service delivery for the region; and a new provincial/regional/municipal partnership that recognizes shared roles and responsibilities for regional matters.

Minister, I look forward to your response to this report. I believe it is a milestone for our region – and I wish to extend my personal thanks to all of the Citizens, Stakeholders, Council Members, Chief Administrative Officers, and Chief Elected Officials who participated. I believe their efforts provide a model for other regions to follow in determining how to adapt to the challenges of the future – a model built upon cooperation in finding solutions, respect for local autonomy and the courage and boldness to adapt and change.

Sincerely,



Lou Hyndman  
Chair

Alberta Capital Region Governance Review



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Additional information is contained in a companion report entitled: **Alberta Capital Region Governance Review, Supplemental Reports and Appendices, March 2000**. The companion report contains the following:

### Supplemental Report 1

*Governance of our region: What are the options?*

### Supplemental Report 2

*Will regional services integration be beneficial?*

### Supplemental Report 3

*A shared vision and a shared commitment: A new relationship between the Provincial Government, the Region, and the Municipalities*

### Appendix 1

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# Preamble

The purpose of this, the First Report of the Alberta Capital Region Governance Review, is to recommend approaches to the governance of the capital region which will address the broad range of challenges and opportunities the region will face over the next 30 years or more.

Elected leaders of the region's 22 municipalities worked together with the Review Chair to develop new approaches to:

- Options for managing regional issues and decisions;
- How municipal services might be coordinated and delivered regionally; and
- How the Province and municipal governments can work together in new ways for the benefit of the region.

This report defines governance as *a means by which people develop and implement shared priorities and policies*. Decisions about regional goals, priorities, outcomes, budgets, resource allocations, financial allocations, capital investments, limitations and liabilities are included in this definition. Powers and responsibilities allocated to decision-makers are also included, as well as the public accountability which goes with those responsibilities, including the responsibility to communicate decisions and report performance.

The recommendations contained within this report are based upon months of discussions with elected officials, stakeholders, experts in various fields and citizens across the region. Solutions were not dictated by the Province, nor by the Review Chair. As a result, the recommendations that follow have truly been "made-in-the-region."

Note: Recommendations are listed in logical, not priority, order.



# Summary of Recommendations

## A. Regional Governance and Leadership

### *Recommendation #1 THAT regional governance be strengthened and formalized.*

The Alberta capital region will benefit from the presence of formal and accountable governance at the regional level.

Twenty-first century regional governance implies accountability, responsibility and decision powers at the regional level that go beyond those existing in the region today.

There is a need for a regional capability to address issues and opportunities that cut across municipalities in the region. Existing regional governance is voluntary and fragile. A new approach is needed if we are to sustain our quality of life and economic performance.

### *Recommendation #2 THAT regional governance be built upon the shared vision, the shared leadership principles and behaviours, and the four policy frameworks identified by the municipalities.*

Elected officials embraced a vision that involves diverse communities linked by a common vision and excellent communication (Figure C, p. 10).

Provincial and municipal administrators identified four policy frameworks that would define the future and the responsibilities of the region. The development and implementation of these frameworks should be the basis for the region's future:

#### **Four policy frameworks**

- A growth management framework (addressing form, efficiency and quality of regional development);
- An environmental framework (addressing shared responsibilities for environmental issues);
- An economic development framework (addressing cooperative and effective action in the global marketplace); and
- A social responsibilities framework (addressing guidelines for responsibility and actions on regional social issues).



The elaboration and implementation of the frameworks should proceed in a partnership format involving both the region and the Province.

Cooperative leadership will be essential. Elected municipal leaders have identified a set of principles and behaviours (Figure D, p. 11) that provide excellent direction to regional leaders. A willingness to share progress in the region and to work out problems related to fairness, value and efficiency will be essential to the achievement of the regional vision.

See pages 10 to 13 for more detailed discussion of **Regional Governance and Leadership**.

## **B. Edmonton Capital Regional Council**

*THAT the vehicle to strengthen and formalize regional governance be an Edmonton Capital Regional Council. It would provide a formal means to develop and implement shared priorities and policies and provide stable, long term governance for the region. It would be a legal entity, recognized in provincial legislation.* **Recommendation #3**

The following principles of representation and voting are to be reflected in the Council:

- All municipalities have a voice;
- Voting and representation must fairly reflect population, diversity and geographic scope;
- No municipality may have a veto;
- The key role of Edmonton as anchor city must be recognized;
- Provincial recognition and support of the Council is essential. Provincial officials should be involved early in the discussions;
- A Board of Governors should provide executive leadership and be the primary forum for discussion and decisions about regional priorities and policies;
- All 22 municipalities must be members of the Council when it is first established (the future potential to achieve a Board of Governors with fewer seats should be examined—a target of about 12 is suggested);
- The Council should be supported by a compact secretariat capable of providing policy advice, administrative support, coordination of regional service decisions and planning advice; and
- The members of the Council should adopt a mutually agreeable mechanism to minimize and resolve disputes.

**Recommendation #4** *THAT the Chief Elected Officials (CEOs) from all municipalities in the Review develop a charter for the Regional Council.*

The Council should be designed through joint agreement among its member municipalities. Therefore, the CEOs (22 mayors and reeves) should:

- First order of business**
- Oversee the development of a charter that will describe the framework under which the Regional Council will operate and the benefits and responsibilities that accompany Council membership.
  - Determine how service delivery decisions can be coordinated within the region.
  - Devise an effective partnership with the Province for regional matters.

- Second order of business**
- Identify consultation mechanisms to ensure that the Board of Governors is accountable and acts with the best information. These include a means of informing municipalities and gaining input from municipal councils, a means of informing and gaining advice from citizens, and a “regional report card” process (Figure F, p. 17) to measure the performance of the region.
  - Determine guidelines for funding the Regional Council (i.e., how costs can be shared).
  - Determine guidelines for the secretariat that describe what it must do, and how to operate it at reasonable cost with minimal bureaucracy.

The CEO network should continue to function as it has thus far in the Review and should use the same decision process until a new voting procedure is devised.

See pages 13 to 17 for more detailed discussion of **Edmonton Capital Regional Council**.

## **C. Service Integration**

**Recommendation #5** *THAT decisions about service integration be guided by the nine goals developed by the member municipalities.*

There was widespread agreement that greater regional service integration could potentially benefit citizens. The nine service goals developed by Review participants (Figure G, p. 18) should guide all decisions about service integration. Service delivery should be changed if improvements in the achievement of the service goals can be assured.

***THAT the potential to establish a regional electronic network, incorporating a regional intranet and a geographic information system (G.I.S.), be a priority area for study.*** **Recommendation #6**

This region should be a leader in implementing electronic networking at the regional level.

There is potential to create a regional intranet in which all municipalities share information electronically, in compatible formats, using shared software and technology. This would strengthen the region, support coordination, and improve efficiency.

The advent of geographic information systems has greatly expanded the potential for management of lands and facilities in the region. Regions like those surrounding San Diego, CA., and Vancouver, B.C., have shown that a G.I.S. can improve economic development, environmental management and transportation planning.

See pages 18 to 22 for more detailed discussion of **Service Integration**.

## **D. New Relationship with Province**

***THAT a new relationship with the Province be developed.*** **Recommendation #7**

A new relationship should be developed in partnership with the Province, with the intention of improving communication and trust, while clarifying roles. Representatives of both the Province and the municipalities have indicated their interest in working together for the good of the region.

This Review was initiated at the request of the Province, so the Province has a clear interest in supporting regional cooperation. When the region forms a Council, then the Province should likewise reorganize its efforts to work with this Council.

There needs to be a known and predictable process for consultation and collaborative decision-making between the Province and the region.

The Province and the municipalities should agree as to what the region is to achieve, and how those achievements should be measured. Shared goals would contribute to improved compatibility of policy and funding decisions.

See pages 22 and 23 for more detailed discussion of a **New Relationship with the Province**.



## E. Transition

*Recommendation #8 THAT the Regional Council treat its first two years as a “start up” period during which it will address transition and development issues.*

The process of implementing a “regional way of doing business” will require changes that will take time. A smooth transition is more important than immediate results. Results are important, but the focus during this period should be on establishing the basis for long term benefits. Immediate gains will be welcomed and celebrated, but not all improvements will lend themselves to “quick fixes.”

During this two year period, there will be changes in the way some services are delivered in the region. The needs of staff and clients should be an important consideration.

*Recommendation #9 THAT the Province generate momentum for the region by providing transition funding.*

The involvement of the Province in supporting transition and start-up costs is an important requirement for a successful launch of the Regional Council.

See pages 23 to 25 for more detailed discussion of **Transition**.

# *Background to this Review*

A fundamental reason for the Review is to ensure a governance framework for the region that is able to respond to future changes, challenges and opportunities. The growth projections for the capital region and the potential for changes in how people choose to live and work will change the profile of the region significantly in the decades ahead.

It is also important to remember our unique regional history in this area. Before this Review was initiated, the following experiences influenced perceptions of the region:

At the request of the provincial government, the McNally Commission made recommendations on the appropriate organization of the Edmonton and Calgary regions. Although the Commission concluded that Edmonton should be enlarged to include “its whole metropolitan area,” that recommendation was never implemented.

*McNally Commission, 1956*

At the request of the City of Edmonton in 1967, Dr. E. J. Hanson identified five principles considered necessary for strong urban government. These principles emphasized the need for greater coordination within the metropolitan area. The principles were not implemented.

*Hanson Report, 1967*

The City of Edmonton applied to the Local Authorities Board (LAB) to annex Sturgeon County, the City of St. Albert and parts of the County of Parkland and parts of the M.D. of Sturgeon. The LAB supported an expansion to include St. Albert and Sherwood Park within the City of Edmonton. The Province rejected most of the LAB recommendation in 1981.

*Edmonton Annexation Application, 1979 to 1981*

This planning commission was established to enable orderly planning and coordination of regional development. Over time, the commission played an important role in the region. However, when it began to play a prominent role in subdivision approvals, concerns arose among the region’s municipalities. The commission was disbanded in 1992 along with the other regional provincial planning commissions.

*Edmonton Metropolitan Regional Planning Commission, 1950 to 1992*

Partly in response to the loss of the Metropolitan Regional Planning Commission, several municipalities in the area created a Forum to address regional issues. This Forum then was incorporated into the Alberta Capital Region Alliance, which provides a mechanism to respond to regional matters. Membership in the Alliance is voluntary.

*Alberta Capital Region Forum, now Alberta Capital Region Alliance, 1994 to present*

Examples of regional service delivery already exist in the region and include the Edmonton Airports Authority, the Capital Region Health Authority, and the Capital Region Sewage Commission.

### *Regional governance elsewhere*

Over the past four years, there has been a resurgence of interest in regional governance in Canada. Toronto, Halifax, Hamilton-Wentworth, Ottawa-Carleton, and Sudbury are among the locations that have recently implemented changes in regional governance. As this report was written, Montreal and Winnipeg were also reviewing regional governance and service integration.

### *How the Review was initiated*

The Review was initiated in 1998 when the Hon. Iris Evans, the then Minister of Municipal Affairs, expressed the strong belief that the region could gain both efficiency and effectiveness through changes in regional governance. During the first six months of the Review, the Minister held meetings with the municipalities to discuss the potential for improvements. In December 1998, Lou Hyndman was appointed as Chair of the Review and asked to provide an independent report to the Minister.

When Hon. Walter Paszkowski became Minister of Municipal Affairs in 1999, he reaffirmed the original commitment that there would be no forced amalgamations or annexation considered during the Review and that the recommendations must emerge from discussion with the municipalities and citizens in the region.

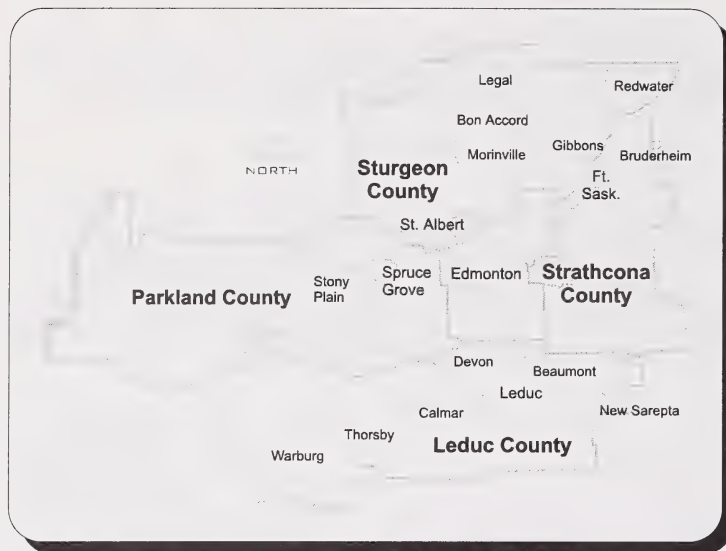
### *Geographic scope*

The Review included 22 municipalities (Figure A) and addressed the area outlined on the following map (Figure B, p. 8). The boundaries established for the Review were the basis for study and participation.

**Figure A**  
**List of region's municipalities**

Beaumont, Town of	Leduc, City of	Spruce Grove, City of
Bon Accord, Town of	Leduc County	St. Albert, City of
Bruderheim, Town of	Legal, Town of	Stony Plain, Town of
Calmar, Town of	Morinville, Town of	Strathcona County
Devon, Town of	New Sarepta, Village of	Sturgeon County
Edmonton, City of	Parkland County	Thorsby, Village of
Fort Saskatchewan, City of	Redwater, Town of	Warburg, Village of
Gibbons, Town of		





**Figure B**  
**Map of region**

### *Process to date*

The Review has involved chief elected officials and chief administrative officers from 22 municipalities. Council members, stakeholders<sup>1</sup> and citizens have also been consulted. To date, the Review has included the following stages:

Four CEO network meetings, two municipal administrator meetings and a workshop involving all municipal elected officials. The Review process was approved and principles by which the Review would be conducted were agreed upon. A presentation was made by Mr. Ken Cameron, Manager of Policy and Planning for the Greater Vancouver Regional District. CEOs also participated in a future scenarios workshop conducted by Dr. Arden Brummell of Calgary.<sup>2</sup>

Three working groups involving 16 municipal administrators developed a range of options for consideration. Six CEO meetings were held. Information and discussion sessions were held with municipal elected officials and administrators. Dr. Katherine Graham<sup>3</sup> and Dr. Robert Bish<sup>4</sup> presented information to, and were interviewed by, municipal representatives. Mr. Curtis Johnson<sup>5</sup> of the Citistates Group, Minneapolis, U.S.A., was the guest speaker at information sessions held for both elected officials and stakeholders in September. A stakeholder workshop was also held in October. This stage ended in early November with a workshop of 140 municipal elected officials at which a wide range of proposals were reviewed.

**STAGE 1**  
**Framework for the Review**  
**January to April 1999**

**STAGE 2**  
**Option development and comparison**  
**May to November 1999**

**STAGE 3**  
*Initial recommendations*  
*November 1999 to March 2000*

Three subcommittees involving more than 17 municipal CEOs and administrators refined ideas and brought forward information for this report. Two citizen focus groups, six community discussion groups and one stakeholder meeting provided opportunities for response to emerging ideas. Emerging proposals and recommendations were reviewed at four CEO meetings. Social and economic profiles of the region were completed: A Social Profile of the Alberta Capital Region by Community Services Consulting Ltd.<sup>6</sup>, and A Regional Economic and Financial Analyses: A Visual Summary by Nichols Applied Management.<sup>7</sup>

# *Explanation of the Recommendations*

## **A. Regional Governance and Leadership**

This section of the report addresses the elements that must be in place to ensure that the region has effective governance.

The mayors and reeves of the municipalities in the Review spent much of their time on regional, inter-municipal and provincial-municipal matters. When elected leaders become involved in regional matters, they balance the responsibility to assert the needs of their municipality with the need to contribute to the greater good of the region.

### *The foundation for leadership is a shared vision*

Early in the Review, a vision of the future of the region was described (Figure C). The vision describes a diverse range of municipalities operating together in “coordination and partnership.” It emphasizes that this close working relationship of independent municipalities will require “strong communications” and “coordination of decisions and services within the region.”

This vision will require the commitment of everyone. The vision emphasizes “a community of communities where the local needs, expectations and lifestyles of each community are respected” and gives “voice to all concerns.” The strengths of this vision lie in its support of a diverse, but cooperative regional context. The challenge will be for the region to maintain the level of communication, teamwork and trust needed to give fair consideration to all the diverse views while maintaining momentum and creativity in regional development.

Implementing this vision will require that municipalities in the region invest in:

- Regional discussion and decision processes;
- Excellent communication;
- Monitoring and reporting to assist all parties in understanding regional trends;
- Shared principles and plans that provide shared guidance;
- Team-building among regional representatives; and
- Consultation with elected councils and citizens.

**Figure C**  
**The Municipalities’**  
**Regional Vision**

*Rooted in strong communication that gives voice to all concerns, the vision of the future is one of coordination and partnership that achieves the following:*

- *A high quality of life for citizens.*
- *A community of communities where the local needs, expectations and lifestyles of each community are respected.*
- *A diverse, self-reliant region.*
- *Coordination of decisions and services within the region.*
- *Excellent services to citizens.*
- *Satisfaction with decisions about the region, as expressed by citizens and elected councils.*



**Figure D**  
**The Municipalities'**  
**Leadership Principles**

*Good local governance is the right of the people and is best achieved by principle-centred leadership behaviours.*

**Respect Local Needs** - Seek to recognize and understand each other's perspectives.

**Trust and Mutual Respect** - Transparency of information and equal opportunity to contribute to solutions.

**Clear Goals** - Desirable outcomes are defined for each issue.

**Leadership** - Elected officials in municipalities in the region focus on common issues.

**Interdependency** - Work together for mutual success.

**Cooperation** - Focus on cooperation and mutual benefit.

**"Grass roots" Involvement** - Any changes that affect municipalities are based upon consultation with those who are affected by the decisions.

**Leadership Behaviours**

**Appropriate Community Input** - Identify community expectations and ensure convenient and effective opportunities for input on regional issues.

**Consistency** - Develop a process to ensure that regional matters are handled in a way that is known and understood.

**Dispute Resolution** - Develop a process to resolve disputes that is known and understood.

**Communication and Sharing** - Ease of discussion and exchange among municipalities at the political, administrative and community levels.

This is an approach that emphasizes the value of competitive municipal systems and the diversity of lifestyles within the region. In achieving this vision, people should anticipate that the amount of time dedicated to regional discussion and decisions will increase, and that the "connectedness" of the municipalities will be emphasized.

**Leadership and the role of elected officials**

It was pointed out early in the Review that quality leadership is the key ingredient for the success of the region. Over the course of the Review, elected officials refined a set of leadership principles and described leadership behaviours that will provide superior guidance to those who become involved in regional matters (see Figure D).

**The role of municipal elected officials**

Municipal elected officials ably represented the aspirations and concerns of their municipalities during the Review.

It has been suggested in other regional reviews, principally those in Ontario, that a reduction in the number of elected officials will provide substantial savings. The evidence for this assertion is thin. Dr. Katherine Graham noted that elected officials account for less than one per cent of the cost of municipal government. In our region the costs associated with operating 22 elected councils is 0.6% of the total municipal government costs in the region (see Figure E).

**Figure E**  
**Cost of municipal government in the Alberta capital region**

Number of Elected Officials in the ACR	1998 Total Expenditures in the ACR	1998 Council Expenditures in the ACR	Percentage of Total Expenditures
149	\$941,954,979	\$5,396,804	0.6%

Source: Alberta Municipal Affairs, Local Government Services, 1998 Statistics

It is inadvisable to reduce democratic representation on the basis of cost-cutting alone. Elected officials do much more than represent their constituents—they are skilled network builders in an emerging "network" economy. The connection-building skills of elected officials is a key asset for the region.

## *Regional representatives*

During the Review, the mayors and reeves of the region represented their municipalities in discussions with the Chair. This process worked well, and shows the way to future regional cooperation. While all elected officials will become involved in regional matters from time to time, it is likely that municipalities will be represented most of the time by a single member. A process will obviously have to be created to ensure that municipal councils are kept informed of regional discussions, and that municipal councils are consulted during these discussions.

However, with 149 municipally elected officials and 22 councils, the act of consultation and municipal endorsement will require careful planning. The Chair recommends a target of about 12 members on the Board of Governors of the Regional Council in the years ahead.

## *Why talk about regional governance now?*

Most metropolitan regions have formed around an anchor city. Typically, the anchor city initially grew to become the centre of the region, and to represent the greatest proportion of the population. The largest infrastructure investments were made in the anchor city, and many of the facilities that define the region were often placed in the anchor city.

A majority of metropolitan areas have experienced a shift in population over the past 30 years. The suburbs have been the fastest growing portion of metropolitan regions, and have also experienced the most job creation.<sup>8</sup> In some cases (ours is one) much major industrial development has been outside of the anchor city. This shift (which is continuing) has created the need for an interdependent approach. Mr. Curtis Johnson informed the elected officials in our region that the prosperity and the quality of life in one part of the region is economically dependent upon the success of the other parts of the region. His illustration of this pointed out that economic decay in an anchor city has direct economic consequences for people living in the adjacent suburban areas.

In many regions, the cost of infrastructure and its maintenance is rising significantly. The infrastructure is often not located where the tax base is increasing. This, and increasing poverty in anchor cities, have raised concerns about sustainability.

The shift in population has also created the need for integrated transportation planning. Municipalities within metropolitan regions are now highly likely to share expensive inter-municipal roadways and public transportation. In addition, the amount of commuter travel among municipalities has greatly increased. In the Philadelphia region, researchers found that commuter travel miles increased 55% between 1980 and 1997, while the population grew only 3%.<sup>9</sup>

External forces have also provided reasons to move to efficient regional governance. The borders of nations have opened to support the emergence of a global economy. This trend has been greatly increased by the emergence of electronic commerce. It has created a situation in which urban regions are becoming the predominant engines of the global economy. They seek to present a clear and focused image to the world in order to compete effectively.

At the same time, international agreements on the environment and climate change have created a new need for clusters of municipalities to address environmental issues together.

### *Potential governance options*

This Review took a disciplined approach to reviewing governance options. At the outset, municipal administrators described the full range of eight governance options that could be considered for the region (see companion report on Regional Governance Approaches). These options were assessed to determine which were most likely to be acceptable and successful.

The Edmonton Capital Regional Council is recommended because it incorporates the strengths of the three models addressed by municipalities, builds on the history of the region, respects the principle of choice, reflects a synthesis of the views of citizens and stakeholders, offers excellent adaptability to future change and best assures the sustainment of the high quality of life and work that we now enjoy.

## **B. Edmonton Capital Regional Council**

### *What are regional councils?*

Regional councils exist in more than 500 metropolitan areas. In the United States, the National Association of Regional Councils (NARC) represents 175 regional councils: \*

- They are created by joint agreement of the local governments they serve, usually in accordance with “enabling” legislation; and
- They are governed by boards of directors that are usually made up of local elected officials appointed by the local governments that created the council.

NARC notes that, “Regional Councils are, therefore, actually local government organizations designed to study and recommend solutions to problems facing the region and to help their local government members plan for a healthy and prosperous regional community.”

\* “Regional council” can include regional councils of government, metropolitan planning associations and economic development districts.



Regional councils are a means to support helpful intergovernmental cooperation. NARC notes: “Intergovernmental cooperation is the most cost effective way to deal with [problems] AND it avoids big government.”

### *Typical challenges that regional councils address*

Metropolitan areas around the world are facing similar challenges. Many of these challenges are associated with the growth of the metropolitan population and the shifting of populations from the centre city to suburban and rural locations within the region. Some examples of problems most often mentioned:

- Traffic congestion and other transportation problems;
- Infrastructure development and maintenance;
- Air and water pollution;
- Economic disparities among the municipalities;
- Social problems (crime, poverty, support for the infirm);
- Inefficiencies (duplication, premature obsolescence of facilities);
- Loss of green space;
- Sustainability of municipalities;
- Global competition for investment, jobs, skilled workers and tourists;
- Global environmental limits;
- Climate change; and
- Changes in provincial and federal policies including grants.

### *The time to plan is now*

Mr. Curtis Johnson noted that areas like ours have not yet experienced the problems that are plaguing many American metropolitan regions. However, he cautioned that we are not managing our future to avoid those problems. “We’re just 20 years ahead of you, that’s all,” he stated. He further noted that our region is approaching the one million population mark and that this figure represents a window of opportunity to plan for the future. Beyond a population of one million, much of our current flexibility may be lost.

The cost of being well prepared is minor in comparison to the cost of being unprepared. Business stakeholders told us that the time to plan for the future is when the economy is upbeat, not when there is a recession.

### *The role of the Edmonton Capital Regional Council*

The primary role of the Regional Council is to facilitate regional decision-making and to establish guiding policy on matters that municipalities deem to be regional. Other roles include the following:

- To act as an advocate and representative of the region's municipalities; and
- To coordinate service delivery decisions at the regional level, in accordance with the service goals of the municipalities. The Council would provide guidance rather than directly deliver services.

### *Responsibilities of the Regional Council*

The Council responsibilities should be formally described in a charter that eliminates confusion of roles between it, the municipalities and the Province. The Council should establish guiding policy for the region and will coordinate regional initiatives with the Province as needed. The Council should have responsibilities in the following areas:

- Growth management;
- Economic development (at the regional level);
- Environmental matters that extend beyond municipal boundaries;
- Social services (clarification of roles and responsibilities, coordination of Family and Community Support Services decisions at the regional level, monitoring);
- Coordination of service decisions at the regional level to maximize achievement of the service goals;
- Monitoring of regional success using a "report card" system;
- Cost sharing or revenue sharing requirements among the members (potentially including spill-over costs, service provision costs and sharing of windfall revenues);
- Trend assessment and strategic planning to ensure that the region anticipates upcoming opportunities and challenges and remains a leader; and
- Rules for member municipalities to minimize conflicts and resolve disputes.

### *The Regional Council is not another level of government*

Regional Councils exist in many metropolitan areas of the world. They act as a council of local governments and are designed to gain the advantages of improved intergovernmental cooperation and to avoid an expansion of government.

The Regional Council will not be a new level of government because:

- The Regional Council will **not** have a separate set of elected representatives. Regional Council members will be members of municipal councils and appointed by their own councils as representatives to the Regional Council (i.e., not elected to the Regional Council by the public).
- The Regional Council will be accountable to the municipal councils who appoint members to it, and to the citizens who elect those municipal councils.
- The Regional Council will **not** have the power and ability to levy taxes.
- The Regional Council will have limits placed on the size of its bureaucracy. The Council will be supported by a small secretariat, which could be staffed through secondment, staff sharing or contracted advisors.
- The Regional Council will **not** be a service delivery agency. It will coordinate service delivery decisions. There is no intention for the Council to develop service delivery capacity.
- The Regional Council will be complementary to municipal functions. It will not duplicate local government.

### *A regional charter*

A charter for the Regional Council will be created by the municipalities (through the existing CEO Network). The charter will be developed by joint agreement of the municipalities and then submitted to the Province.

The resulting charter would be formally created through regulations or legislation. The charter will become the public and legal statement of the Council's powers.

The charter will:

- Put in place a publicly accountable Board of Governors;
- Establish a clear financial and governance relationship between the Province and the region;
- Assign clear responsibilities to the Regional Council;
- Establish Regional Council authority to coordinate regional services;
- Build in a long term membership commitment of member municipalities;
- Provide a secretariat that ensures professional planning and policy advice; and
- Ensure that the decision process and voting allocation reflect both population and diversity in a fair manner.



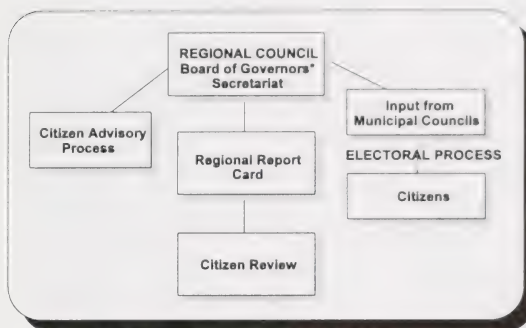
## *How is the Regional Council accountable?*

It is vital that the Regional Council is accountable for its decisions and actions. Where the Regional Council accepts funds from the Province, on behalf of its members, it will be accountable to both parties.

While the accountability of the Regional Council should be clear in its charter and in its legal mandate, there is a need to provide accountability mechanisms as well. These mechanisms make the work of the Regional Council accessible to its members and to citizens.

**Figure F**  
**Accountability mechanisms**

\* Note: Board of Governors is composed of municipal representatives



Following is a description of Figure F:

### **Citizen Advisory Process**

A mechanism should be created to ensure that citizen advice is considered in major decisions to be made by the Governors about the region. This advice would be sought for individual decisions and might come from an advisory panel or other limited consultation means. The challenge is to find a means that is practical, fair and robust.

### **Input from Municipal Councils**

The municipal councils are the elected leadership bodies and must be consulted about regional decisions. The challenge is to provide adequate and effective consultation without creating a complicated and time-consuming decision process.

### **Regional Report Card**

A set of measures will be developed, with stakeholder input, to allow the region to monitor its progress. This report card should lead to an annual public discussion. Annual citizen input, at the municipal level, is essential.

### **Posting of discussions of Regional Board of Governors and subcommittees**

In the interest of transparency, all meeting agendas and minutes should be posted on the Internet, and made available in the region.

Please see Supplemental Report 1 for more information about Regional Governance and Leadership.

## C. Service Integration

The Review was asked to examine whether efficiencies can be gained through improved coordination or integration in the region. The municipalities of the region already coordinate and share service delivery in many instances among one or several municipalities. A review of comparable regions indicated that efficiencies could be gained either by (a) increasing the scale of delivery, or (b) coordinating future planning for shared long-term benefit. It was therefore reasonable to examine whether further efficiencies could be found here.

There has been widespread support among participants in the Review for an examination of the potential to improve efficiency. The City of Edmonton noted that “the City will examine opportunities to reduce costs and improve service through regional service delivery mechanisms” (Plan Edmonton, 1998). The City of St. Albert noted that “services should be delivered in a manner that is cost efficient and provides maximum value for each tax dollar spent.” The Town of Stony Plain noted that its council “supports the concept of regionalization of services where they make economic delivery and community sense.”

The examination of service delivery was spurred by the belief in future potential, not by concerns about current inefficiencies. The regional economic and financial profile by Nichols Applied Management (op. cit.) noted that there were differences in service delivery costs throughout the region, but also noted that there are no obvious indicators that service delivery in this region was less efficient than in comparable areas.

### *Service goals*

During the Review, municipal representatives made it clear that it would be a mistake to assess service delivery in terms only of financial efficiency. A set of service goals (Figure G) was developed and widely endorsed to guide the further study of service delivery.

These goals will be used as guidelines for any decisions about the potential to increase coordination or integration. They are not a checklist, but rather a set of guidelines that will point the way to good decisions.

The goals are a reminder that three outcomes must be kept in mind as decisions about service integration are contemplated: value, efficiency and fairness.

**Figure G**  
**The Municipalities’**  
**Service Integration Goals**

*Service integration should be guided by the following goals:*

- *Citizens will receive best value for their dollars.*
- *Citizens will benefit from service and facility enhancements in the long term.*
- *Service delivery will be flexible enough to allow each community to choose its preferred service level.*
- *Volunteerism will continue to be supported and encouraged.*
- *Citizens will know who is responsible for service delivery and concerns.*
- *Sustainable benefit to the region will be a priority.*
- *Service delivery will be more cost effective after restructuring.*
- *No new level of government will be created.*
- *Community identity will be maintained.*

- **Value** - The Review plans to focus on opportunities to build long term value for citizens, rather than emphasizing short term opportunities for cost cutting. Municipalities took pains to point out that value is not entirely a financial equation, but that quality of life is an important part of this consideration.
- **Efficiency** - Municipal government in the region involves total expenditures of approximately \$1 billion annually. The study by Nichols Applied Management did not find indicators that municipalities in the region are inefficient. They have absorbed reductions in provincial grants and have not increased tax revenues indicating that significant efficiencies in local service delivery have already been found.

Further efficiencies can be found in the delivery of services. These efficiencies will result from improved integration and sharing of facilities, equipment and staff. These efficiencies will be measured against the service integration goals identified in Figure G, p.18.

- **Fairness** - Many concerns about fairness were expressed during the Review. The essence of these concerns is that there are situations where there is either unfair sharing of costs among governments, or unfair sharing of revenues or of credit for accomplishments or services provided.

Fair allocation of costs and revenues is complicated by the fact that Edmonton accounts for almost 72% of the region's population and only 7.5% of the land area. Three counties (excluding Strathcona County), and the towns and villages within them, account for 77.6% of the region's land area, but only 10.5% of the population (see Figure H).

**Figure H**  
*Population and land distribution*

<b>ALBERTA CAPITAL REGION</b>	<b>Population Distribution</b>	<b>Land Distribution</b>
Total	862957	9,383 sq. km.
Edmonton	71.4%	7.5%
Sub-urban Cities (4)	10.5%	1.4%
Counties, Towns, Villages	10.5%	77.6%
Strathcona County	7.6%	13.5%

Source: Alberta Municipal Affairs, Local Government Services, 1998 Statistics

The appropriate allocation of service delivery costs will have to balance comparable per capita costs and costs of servicing large geographic areas.



## *Regional service delivery options*

Service commissions are agencies that allow several municipalities to share the costs and benefits of delivering a municipal service. When a number of municipalities deliver similar services adjacent to each other, the potential for service commissions to integrate service delivery increases.

### ***Service commissions***

In Alberta, service commissions can be established under the Municipal Government Act. The best example of such a commission in our region is the Capital Region Sewage Commission. This commission includes 12 municipalities. It was established in 1985. The member municipalities gain the benefit of sharing a single sewage treatment plant and the longer term benefit of developing a rational network of storage sites, pipelines and disposal sites. Member municipalities pay for their services on the basis of volume rate.

The Capital Region Sewage Commission has minimal staffing. The economic benefit of belonging outweighs the cost of having each municipality independently treating their own sewage. The governing board of the Commission is made up of elected officials from the member municipalities who meet to provide direction that offers the best benefit to members.

There is potential for other services in the Alberta capital region to be delivered through regional commissions. The rule of thumb would be that the members gain a financial benefit by belonging to the commission and that the net cost to citizens (in either the short or the long term) is less. The other major benefit would be increased coordination of facility development in the region.

However, if there were a plethora of commissions, the net effect could be to make coordination of services in the region too complicated. It is also possible that a large number of commissions would result in territorial and budget squabbles among the commissions. Poor coordination and “turf wars” could undo the benefit of having commissions.

Concern has also been expressed that service commissions could act as monopolies and become insensitive to municipal and consumer expectations. Various mechanisms can be included in a commission to support innovative and responsive behaviour.

### ***Use of contractors***

In some cases, the delivery of a service to many municipalities can be accomplished by having the municipalities jointly develop a tender for services, and then jointly retain one or more contractors to deliver those services. The contractor(s) ensure that staff, equipment and facilities are used efficiently, that services meet quality requirements and that service delivery is well coordinated.

The contractor can be a private, for-profit corporation, a non-profit corporation or agency, or a municipality that chooses to deliver service well beyond its boundaries.

The use of contractors requires clear terms of reference. It also requires the municipalities to meet and negotiate the sharing of costs and the sharing of decisions that will affect the contractor. The use of contracting has the potential save municipalities the cost of facilities, equipment and training and takes advantage of competitive market forces.

#### ***Municipality as regional provider***

In some cases, a single municipality can act as the regional provider of a service. This is particularly beneficial if one municipality has either made capital investments that can be shared with other municipalities, or if one municipality has a proven delivery system that others admire.

In these cases, the other municipalities enter into a joint agreement with the provider municipality. The provider then makes the necessary investments to deliver service on a larger scale. The other municipalities pay the provider for the services delivered. The provider can benefit if it manages the extended service delivery as a profit centre. The receivers can benefit if the benefits of this approach outweigh the costs. All parties benefit from economies of scale. These are usually long term agreements.

Strathcona County provides services to the Town of Bruderheim and also provides a 911 call centre service to many other municipalities in east central Alberta. Parkland County provides 911 service to 51 municipalities.

#### ***Regional call centre***

Municipalities spend considerable time responding to citizen enquiries. This is an important aspect of municipal service, and one that many citizens prefer to have as a local function. However, citizens are increasingly experiencing a world in which they make (or e-mail) an inquiry to a call centre. Although call centres may not provide the local familiarity and the convenience of "face-to-face" discussions, they often provide other benefits—longer service hours, more technical information at hand, immediate registration of complaints or service requests with service personnel, and the ability for the consumer to do business from their home or office. There may be service areas where the benefits of a single call centre outweigh the disadvantages, and where there is a net economic advantage to the region.

### *Relationship to Regional Council*

The Regional Council would make decisions about appropriate approaches to service delivery and would coordinate service decisions that involve several municipalities or commissions. The Regional Council would not directly manage or deliver service.

Please see Supplemental Report 2 for more information about Service Integration.

## **D. New Relationship with Province**

It became apparent early in the Review that a change in the relationship between the Province and the municipalities of the region would be important in finding a successful governance approach for the region. Experiences over the past decade led to feelings of distrust and to a sense (from both parties) that the relationship had become too complicated.

Both municipal and provincial representatives agreed that a collaborative relationship would benefit the region. Dealing with regional matters will take more time from municipalities and provincial departments, so improvements in efficiency should be sought. The two levels of government need to establish mutually agreeable responsibilities and principles to guide the future of the region.

There is also a need to address revenue sources and allocation of funds. Municipalities have raised concerns about their ability to sustain the level of service they currently deliver and fear the potential for any increased costs without revenue sources to address those costs.

### *Establishing the relationship*

When the region develops a Regional Council, this body should have a new relationship with the provincial government. The municipalities of the region are working to improve the process for dealing with regional matters. The Province has expressed its interest in making the regional relationship more sensitive and efficient.

The Regional Council and provincial representatives should jointly establish:

- Regional objectives that are shared and mutually supported;
- Clear delineation of roles and responsibilities;
- A communication process that is coordinated, transparent, simple and predictable; and
- A shared commitment to sustainable government that provides quality service to citizens and does not mortgage the future.

Part of this new relationship will be an assurance that municipalities have access to sufficient financial resources to meet their operating and capital requirements. The prospect of major infrastructure repair costs is a concern for municipalities in the region.

### *Shared policy frameworks*

On pages 1 and 2 of this report, four policy frameworks are recommended as a foundation for a new municipal/regional/provincial partnership in the region.

Provincial representatives should be involved in the elaboration of these frameworks and both levels of government should determine the regional roles, responsibilities and funding necessary to ensure that these frameworks can be implemented. The policy frameworks are:

- A growth management framework;
- An environmental management framework;
- An economic development framework; and
- A social responsibilities framework.

### *Fair allocation of provincial funds*

Provincial transfer payments for services and capital improvements have been an important part of the development of the region, but they have also contributed to concerns raised during the Review.

Once the regional governance body is established, it will be important to revisit the distribution of these funds to ensure that both parties are satisfied that they have a fair arrangement for distribution of them. Adequate notice of fiscal and policy changes from both levels of government is important to this process.

Please see Supplemental Report 3 for more information about a New Relationship with the Province.

## **E. Transition**

Dr. Katherine Graham has observed that change anxiety characterizes the first stages of these regionalization discussions. This suggests that transition phasing is needed, in order to allow for orderly decision-making and orderly changes in services. The changes contemplated involve people and relationships as much as they involve changes in policy or process.



Change should only be made where it creates benefits. The value of a transition period is to reduce the expectation that the benefits will be immediate. In many cases, the benefits of change may be long term. For the most part, the region should focus on long term value and adaptation, rather than on “quick fixes.” However, citizens expect to see some immediate benefits, so some areas where the benefits are immediate should be identified and implemented as soon as possible.

Most of the municipal service and policy patterns in the region have been in place for some time and have a solid foundation in staff and human networks that achieve results efficiently in the local setting. The plan of transition should minimize disruption and damage to these existing human networks and should respect the needs and motivation of the people involved.

### *Provincial support*

The Province should financially contribute to the cost of transition. This follows from the fact that the Province has asked the municipalities to participate and make these changes. It also follows the pattern established elsewhere in Canada.

### *Role of Regional Council during start-up*

During the two year start-up period, the Regional Council will gradually evolve a new process, overseeing changes, building its own capacity and relationships and implementing changes in policy or services. It will ensure that benchmarks are established and that an evaluation process is in place.

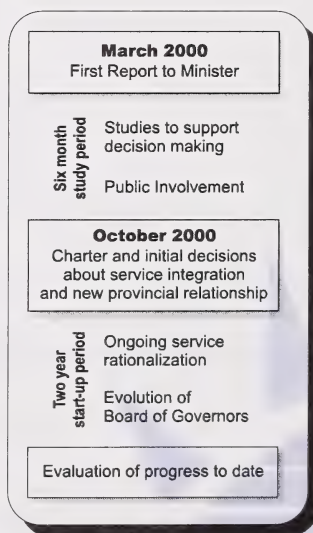
At the end of the two year period (see Figure I), the municipalities and the Province will evaluate the process.

The time line allows six months for study and development of a regional charter, and recommends two years as a “start-up” period.

### *Areas where further study is needed*

There has been a commitment throughout this Review that changes would not be made without study. All of the recommendations that have come forward have the intention of improving the region for its citizens. During the next six months, therefore, the following studies will be undertaken to provide information for good decisions.

**Figure I**  
**Study period and transition period**



1. Further investigation of issues and challenges over the next 50 years.
2. Analysis to support decisions about the best way to deliver services, including: identification of specific service delivery changes; comparison with current delivery approaches; assessment of feasibility of changes; and identification of transitional issues associated with any changes.
3. Assessment of a regional intranet and G.I.S. including the current situation/capacity; identification of a conceptual proposal; analysis of costs and benefits; and suggestions for a transition plan.

1. A stakeholder list of key organizations who might have an interest in the results of the Review was compiled jointly by the project office and capital region municipalities. The list currently includes over 270 organizations and individuals.
2. Dr. Arden Brummell  
Global Business Network Canada  
Calgary, Alberta
3. Dr. Katherine Graham is the Associate Dean of Research and Faculty Development at Carleton University. She was recommended to the Review as an expert in regional governance by the Federation of Canadian Municipalities.
4. Dr. Robert Bish, Professor Emeritus and Co-Director of the Local Government Institute in the School of Public Administration at the University of Victoria.
5. Mr. Curtis Johnson was also CEO of the Metropolitan Council in Minneapolis-St. Paul from 1995-99.
6. Mr. Peter Faid, Community Services Consulting Ltd., Edmonton, Alberta. A Social Profile of the Alberta Capital Region, December 1999.
7. Mr. Peter Nichols, Nichols Applied Management, Edmonton, Alberta. Regional Economic and Financial Analyses: A Visual Summary, January 2000.
8. Cities@2000, Canada West Foundation.
9. Data cited by Bruce Katz, Director, The Brookings Institution, Centre on Urban & Metropolitan Policy, November 11, 1999.





1. The first of the two main components of the overall strategy is the development of a comprehensive business plan for the region. This plan should outline the region's strengths, weaknesses, opportunities, and threats, and should provide a clear vision for the future.
2. The second main component is the implementation of the plan. This involves a range of activities, including the development of policies, the establishment of institutions, and the implementation of specific projects.
3. The third main component is the monitoring and evaluation of the plan. This involves the collection of data, the analysis of trends, and the assessment of the plan's impact.
4. The fourth main component is the communication of the plan. This involves the development of a communication strategy, the implementation of the strategy, and the evaluation of the strategy's effectiveness.
5. The fifth main component is the financing of the plan. This involves the identification of funding sources, the development of a financing strategy, and the implementation of the strategy.
6. The sixth main component is the implementation of the plan. This involves the development of policies, the establishment of institutions, and the implementation of specific projects.
7. The seventh main component is the monitoring and evaluation of the plan. This involves the collection of data, the analysis of trends, and the assessment of the plan's impact.
8. The eighth main component is the communication of the plan. This involves the development of a communication strategy, the implementation of the strategy, and the evaluation of the strategy's effectiveness.
9. The ninth main component is the financing of the plan. This involves the identification of funding sources, the development of a financing strategy, and the implementation of the strategy.
10. The tenth main component is the implementation of the plan. This involves the development of policies, the establishment of institutions, and the implementation of specific projects.





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